

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: JANUARY 21, 2009

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

SUBJECT:

Discussion and possible action regarding a Consent To Assignment and Assumption of Disposition and Development Agreement for the Second Amendment To Disposition and Development Agreement by and between Alpha Omega Strategies, Inc., a Nevada corporation and Alpha Omega Strategies, LLC, a Nevada limited liability company, for real property located at 1501 North Decatur Boulevard - Ward 5 (Barlow) [NOTE: This item is related to RDA Item 6 and Council Items 44 and 45]

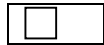
Fiscal Impact



No Impact



Augmentation Required



Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This item pertains to the Second Amendment To Disposition and Development Agreement for 1501 North Decatur Boulevard, which was approved by City Council on July 16, 2008. Alpha Omega Strategies, Inc., is formally changing their entity to Alpha Omega Strategies, LLC.

RECOMMENDATION:

Approval subject to review and approval by City Council.

BACKUP DOCUMENTATION:

1. Consent to Assignment and Assumption of Disposition and Development Agreement
2. Second Amendment to Disposition and Development Agreement
3. Disclosure of Principals

Motion made by GARY REESE to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2

STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, DAVID W. STEINMAN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW, LOIS TARKANIAN)

Minutes:

SCOTT ADAMS, Operations Officer of the Redevelopment Agency (RDA), stated that Items 5 and 6 were related and addressed the agreement between Alpha Omega Strategies, Inc., the City and the RDA. He explained that Item 5 requested that the RDA approve the assignment of the agreement with Alpha Omega Strategies, Inc. to Alpha Omega Strategies, LLC. He

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acknowledged the concern with a lack of disclosure related to LLCs and assured the Board that whenever the RDA entered a new or revised contract, the developer was required to file a new disclosure of principals for anyone who has a one percent or greater interest in the project. He noted the developer had submitted a new disclosure of principals which was included in the backup documentation.

MR. ADAMS stated that Item 6 is Third Amendment which would allow the developer's earnest money to be posted as a surety bond for the off-site improvements. He explained that this was needed in order to record the subdivision map and move forward with the site's commercial development. He noted a second provision would delay the start of construction on the residential tower by three months. He pointed out that the developer was submitting a sizeable security deposit which would help protect the City in the event there is non-performance by the developer.

MR. ADAMS emphasized the importance of this project, given the on-going recession. He stated that allowing the commercial development to go forward was a thoughtful and calculated risk and recommended approval of both items.

MIKE McDONALD, President of Alpha Omega Strategies, 4908 Carmen Boulevard, concurred with MR. ADAMS' presentation. He stated that the area is in desperate need and expressed his hope and commitment development moving forward on the site. He noted that some seniors on fixed incomes are facing homelessness.

CHAIRMAN GOODMAN stressed that, while new commercial development is welcome, the seniors are the focus of this project.

MEMBER ROSS applauded MR. McDONALD'S efforts in the area. He stated he was looking forward to this project, stressing it is necessary for the community.

MEMBER STEINMAN questioned the developer regarding the purpose for the subdivision and the project's financing. BRUCE BAYNE, 851 South Rampart Boulevard, stated that the site would be commercially sub-divided and that financing for grading the site had been obtained. He explained that the lack of bonds, tax credits and vouchers was delaying the project and its financing.